

ITEM FOR PUBLIC WORKS SUBCOMMITTEE OF FINANCE COMMITTEE

HEAD 708 – CAPITAL SUBVENTIONS AND MAJOR SYSTEMS AND EQUIPMENT

Education Subventions

54EC – A private independent school (secondary-cum-primary) in Area 11, Sha Tin

Members are invited to recommend to Finance Committee the upgrading of **54EC** to Category A at an estimated cost of \$98.1 million in money-of-the-day prices for the construction of a private independent school comprising an 18-classroom secondary section and an 18-classroom primary section in Area 11, Sha Tin.

PROBLEM

We need to provide more diversity in our school system and give parents more choice in the selection of schools for their children.

PROPOSAL

2. The Secretary for Education and Manpower (SEM), on the advice of the Director of Architectural Services (D Arch S), proposes to upgrade **54EC** to Category A at an estimated cost of \$98.1 million in money-of-the-day (MOD) prices for the construction of a non-profit-making private independent school (PIS) comprising an 18-classroom secondary section and an 18-classroom primary section in Area 11, Sha Tin.

3. The construction cost of the school premises is estimated to be \$176.1 million in MOD prices, comprising \$98.1 million of government subvention and \$78 million to be borne by the school sponsor. The amount of government subvention, being no more than the cost of constructing standard design public sector schools accommodating the same number of students, will be provided to the school sponsor in the form of a capital grant for the sole purpose of building the school premises. The school sponsor will be responsible for the design and construction of the school premises to meet its own curriculum needs.

PROJECT SCOPE AND NATURE

4. The school premises will adopt a non-standard design with the following planned facilities –

	Secondary section	Primary section
(a) classrooms	18	18
(b) special rooms	16	11
(c) small group teaching rooms	2	6
(d) staff rooms-cum-staff common rooms	2	1
(e) conference room	1	1
(f) library	1	1
(g) study hall (learning areas) ¹	1	3
Shared facilities		
(h) assembly hall		1
(i) multi-purpose area		1
(j) small lecture hall		1
(k) basketball courts		2
(l) gymnasium		1

/(m)

¹ Study halls (learning areas) are open areas for small group project work.

(m)	swimming pool	1
(n)	cafeteria	1
(o)	green corner ²	1
(p)	ancillary accommodation, including two lifts and relevant facilities for the handicapped	Available

Due to site constraints, the school premises cannot accommodate a running track. A comparison of the facilities proposed under **54EC** with those of standard design schools is at Enclosure 1.

5. The school premises will meet the planning target of providing two square metres of open space per student. A site plan is at Enclosure 2 and a view of the school premises (artist's impression) is at Enclosure 3. Subject to the Finance Committee's funding approval, the school sponsor plans to start the piling works in September 2005 and the superstructure works in April 2006 for completion in June 2007.

JUSTIFICATION

6. The school sponsor was selected by the School Allocation Committee (SAC)³ as the sponsoring body of this project in 2002, having regard, inter alia, to its good track record in running an existing secondary school and a primary school. Upon completion of the new premises, the school sponsor would cease to operate the two existing schools, both of which are housed under substandard premises –

- (a) The secondary school has been sharing premises with Bethel Seminary and Bethel Kindergarten in Kowloon City. The school premises is dilapidated and fails to provide the necessary teaching and learning environment expected of a normal school.

/(b)

² A green corner is a designated area inside the campus to enable students to develop an interest in horticulture and the natural environment. A green corner may include a greenhouse, a weather station and planting beds.

³ SAC makes recommendations to the Permanent Secretary for Education and Manpower on the allocation of school premises/sites to suitable school sponsors through an open and competitive selection process. It comprises an equal number of official and non-official members familiar with the Hong Kong education system.

- (b) The primary school is currently located in the Jubilee Court Shopping Centre (the Shopping Centre) in Sha Tin. In view of the floor area constraints, ancillary educational facilities, classrooms for students and reception classes are located at the 4/F to 7/F of the Shopping Centre respectively. Students have to make use of the escalators in the Shopping Centre for going to and leaving school, and for moving around the school in-between classes and lunch. They have to be accompanied by either their teachers or volunteer parent workers out of safety concerns.

7. It is expected that the better learning environment would better equip the school sponsor to deliver quality education in the new premises than in the two existing schools.

8. Apart from improving the learning environment, **54EC** will also benefit the Sha Tin local community. The school sponsor is committed to sharing with the community the use of some of its facilities in the new premises such as the library, the gymnasium, certain special rooms, and assembly hall, provided that the students' learning activities during school hours would not be affected.

9. The PIS will be a co-educational through-train school offering an integrative North-American curriculum emphasising biblical values and ethics. Its curriculum has a number of special characteristics: an interdisciplinary curriculum combining academics, fine and performing arts, Putonghua, information technology and life studies taught from a Christian biblical world view; integration of service learning into the core curriculum; and use of authentic assessment and portfolios. It would provide ample opportunities in and out of school for students to develop their knowledge, skills, talents and moral character. Partnerships with community groups provide service opportunities for its students. In this regard, the students from the two existing schools have served in over 45 different organisations and projects in Hong Kong over the past two years. Its teachers would also serve the community, for example, the teachers initiated a two-year workshop series with local district schools to share English as a Second Language (ESL) teaching strategies.

10. In addition, the school sponsor will, in each year, set aside a sum, which will not be less than 10% of its total school fee income, to provide scholarship and other financial assistance for deserving students. Apart from the capital grant, PISs will not receive any recurrent or further capital financial assistance from the Government.

11. Since the school will be recruiting students from all over the territory (and will absorb the students studying in the two existing schools to be closed), its operation will only have a marginal impact on the supply and demand balance of public sector school places in Sha Tin. Nonetheless, for background information, the Sha Tin District may have a projected surplus of 112 secondary classes and 236 primary classes by the 2007/08 school year.

FINANCIAL IMPLICATIONS

12. The capital grant for the PIS is calculated on the basis of the reference cost of a standard design 30-classroom public sector secondary school and the reference cost of a standard design 18-classroom public sector primary school. The reference costs are based on an uncomplicated site with no unusual environmental or geotechnical constraints. Due to the specific ground conditions of the school site in Area 11, Sha Tin, D Arch S supports an additional piling cost, estimated at \$1.9 million in September 2004 prices. D Arch S considers the amount acceptable as it is no more than the estimated cost for developing a standard design school with the same number of students on this site. We estimate the total capital grant to be \$98.1 million in MOD prices (see paragraph 15 below), made up as follows –

	\$ million
(a) Capital grant for school construction	95.6
(i) Secondary section	44.1

The cost of building a standard design 30-classroom secondary school with 1 160 students is \$97.4 million in September 2004 prices, as advised by D Arch S. The equivalent provision for the 18-classroom secondary section with 525 students⁴ will be \$44.1 million.
 (\$97.4 million ÷ 1 160 x 525)

/(ii)

⁴ The secondary section will have 21 classes of 25 students each. The total number of students is 525.

	\$ million
(ii) Primary section	49.7
<p>The cost of building a standard design 18-classroom primary school with 621 students is \$68.6 million in September 2004 prices, as advised by D Arch S. The equivalent provision for the 18-classroom primary section with 450⁵ students will be \$49.7 million. (\$68.6 million ÷ 621 x 450)</p>	
(iii) Consultants' fees	1.8
<p>Having examined and revised the consultants' fees estimated by the school sponsor, D Arch S considers the figures acceptable. For schools built by the Government, consultancy services are arranged through the Architectural Services Department.</p>	
(b) Additional grant for specific ground conditions	1.9
(i) Additional piling cost	1.7
<p>Percussive H-pile is normally used in the foundation design for standard design public sector schools. Due to special soil conditions and shallow rockhead level of the site, rock socketted steel H-piles are used.</p>	
(ii) Contingencies for additional grant	0.2

/Sub-total

⁵ The primary section will have 18 classes of 25 students each. The total number of students is 450.

		\$ million	
	Sub-total	97.5	(in September 2004 prices)
(c)	Provision for price adjustment	0.6	
	Total	98.1	(in MOD prices)

_____ A detailed breakdown of the estimate for consultants' fees by man-months is at Enclosure 4.

13. The school sponsor estimates the construction cost of the school premises to be \$176.1 million in MOD prices (see paragraph 15 below). D Arch S has examined and endorsed the cost estimate, made up as follows –

		\$ million	
(a)	Piling	21.1	
(b)	Building	91.9	
(c)	Building services	32.4	
(d)	Drainage	3.6	
(e)	External works	6.9	
(f)	Consultants' fees for –	3.3	
	(i) Contract administration	1.9	
	(ii) Site supervision	1.0	
	(iii) Out-of-pocket expenses	0.4	
(g)	Contingencies	15.9	
	Sub-total	175.1	(in September 2004 prices)
(h)	Provision for price adjustment	1.0	
	Total	176.1	(in MOD prices)

14. As the estimated construction cost (\$176.1 million in MOD prices) is higher than the capital grant (\$98.1 million in MOD prices), the difference (\$78 million) will be borne by the school sponsor. The capital grant provided by the Government will be capped at \$98.1 million in MOD prices. The school sponsor will be responsible for all additional funding requirements, whether due to higher-than-expected tender outturn or other variations. The Government and the school sponsor will share all savings arising from lower-than-expected tender outturn (excluding piling works) pro-rata to their estimated contribution to the project (i.e. 55.7% for the Government and 44.3% for the school sponsor). For the piling works, the Government will retain all savings in case these arise.

15. Subject to approval, the school sponsor will phase the expenditure as follows –

Year	\$ million (Sept 2004)		Price adjustment factor	\$ million (MOD)	
	Capital grant under 54EC	Construction cost		Capital grant under 54EC	Construction cost
2005 – 06	0.0	16.0	1.00450	0.0	16.1
2006 – 07	45.9	107.5	1.00576	46.2	108.1
2007 – 08	46.5	46.5	1.00576	46.8	46.8
2008 – 09	5.1	5.1	1.00576	5.1	5.1
	97.5	175.1		98.1	176.1

16. We have derived the MOD estimate on the basis of the Government's latest forecast of trend rate of change in the prices of public sector building and construction output for the period 2005 to 2009. The school sponsor will deliver the piling works and superstructure works through two lump-sum contracts because the school sponsor can clearly define the scope of works in advance. The contracts will not provide for price adjustment.

17. The cost of furniture and equipment and the recurrent expenditure for the school will be borne by the school sponsor. There will not be any recurrent expenditure by the Government. These arrangements are in line with the existing policies.

PUBLIC CONSULTATION

18. We consulted the Sha Tin District Council on **54EC** on 1 March 2005. Members of the Council supported the project on grounds that the project would provide students with an improved learning environment and high quality education, and that the school would open up some of its facilities for community use.

19. The Legislative Council Panel on Education discussed the policy on land and financial assistance for PISs in March 1999. Members supported the policy designed to foster the growth of a quality private school sector. We consulted the Panel on 30 May 2005 on this specific school project. The Panel had no objection to our plan to submit the project to the Public Works Subcommittee for consideration.

ENVIRONMENTAL IMPLICATIONS

20. The school sponsor engaged a consultant to conduct a Preliminary Environmental Review (PER) for **54EC** in April 2005. The PER recommended the installation of insulated windows and air-conditioning for 12 classrooms and a special room from 3/F to 6/F at the eastern facade of the primary school section which may be exposed to traffic noise above 65dB, i.e. exceeding the limits recommended in the Hong Kong Planning Standards and Guidelines. The school sponsor has included \$800,000 as part of the building services in the project estimate in paragraph 13 above as mitigation measures.

21. During construction, the school sponsor will control noise, dust and site run-off nuisances to within established standards and guidelines through the implementation of mitigation measures in the relevant contracts. These include the use of silencers, mufflers, acoustic lining or shields for noisy construction activities, frequent cleaning and watering of the site, and the provision of wheel-washing facilities.

22. At the planning and design stages, the school sponsor has considered measures to reduce the generation of construction and demolition (C&D) materials. The school sponsor has introduced more pre-fabricated building elements into the project designs to reduce temporary formwork and construction waste. These include proprietary fittings and fixtures. The school sponsor will use suitable excavated materials for filling within the site to minimise off-site disposal. In addition, the school sponsor will require the contractor to use metal site hoardings and signboards so that these materials can be recycled or reused in other projects.

23. The school sponsor will require its contractors to submit waste management plans (WMPs) for approval. The WMPs will include appropriate mitigation measures to avoid, reduce, reuse and recycle C&D materials. The school sponsor will ensure that the day-to-day operations on site comply with the approved WMPs. The school sponsor will control the disposal of public fill and C&D waste to the designated public filling facilities and landfills respectively through a trip-ticket system. The school sponsor will require its contractors to separate public fill from C&D waste for disposal at appropriate facilities. The school sponsor will record the disposal, reuse and recycling of C&D materials for monitoring purposes. The school sponsor estimates that the project will generate about 6 300 cubic metres (m³) of C&D materials. Of these, the school sponsor will reuse about 3 000 m³ (48%) on site, 2 800 m³ (44%) as fill in public filling areas⁶, and dispose of 500 m³ (8%) at landfills. The notional cost of accommodating C&D waste at landfill is estimated to be \$62,500 for this project (based on a notional unit cost⁷ of \$125/m³).

LAND ACQUISITION

24. The project does not require land acquisition.

BACKGROUND INFORMATION

25. We upgraded **54EC** to Category B in October 2004. The school sponsor has engaged consultants to carry out detailed design and tender documentation in December 2004, topographical survey in February 2005, and ground investigation in March 2005. We will charge the Government's contribution of \$2.2 million to block allocation **Subhead 8100QX** "Alterations, additions, repairs and improvements to education subvented buildings". The consultants have carried out these services except for the preparation of tender documents which are being finalised.

/26.

⁶ A public filling area is a designated part of a development project that accepts public fill for reclamation purposes. Disposal of public fill in a public filling area requires a licence issued by the Director of Civil Engineering and Development.

⁷ This estimate has taken into account the cost for developing, operating and restoring the landfills after they are filled and the aftercare required. It does not include the land opportunity cost for existing landfill sites (which is estimated at \$90/m³), nor the cost to provide new landfills (which are likely to be more expensive) when the existing ones are filled. The notional cost estimate is for reference only and does not form part of this project estimate.

26. In choosing the school sponsors for PISs, SAC invited parties interested in operating PISs to submit proposals. Selected non-profit-making PISs would usually be granted school sites by private treaty. To enhance the accountability of the PISs in delivering education in exchange for government assistance, and to facilitate the development of performance-based school management, the school sponsors of PISs are required to sign a ten-year service agreement with the Government. The agreement will confirm the objective of providing quality education in accordance with the prevailing approved education policies. Renewal of the service agreement upon its expiry will be subject to an evaluation with reference to the performance targets stated in the agreement. In the case of non-renewal or termination of the service agreement, SEM may allocate the school to a new school sponsor or temporarily take over the school. With only a very limited number of PISs⁸ at the initial stage of development, we currently do not count the provision of school places in these schools towards the projected supply of school places. We shall review three to five years after completion of these projects how PIS places should be taken into account in planning the supply of school places.

27. The proposed construction of the school will involve the felling of 19 trees. All trees to be felled are not important trees⁹. We will incorporate planting proposals as part of the project, including an estimated quantity of 23 trees.

/28.

⁸ Up to now, we have upgraded the following PIS projects to Category A –

Project code	Project title	Upgrading date
29EC	A private independent school (secondary-cum-primary) at Po Kong Village Road, Wong Tai Sin	March 2002
39EC	A private independent school (secondary-cum-primary) in Area 90B, Ma On Shan	July 2003
44EC	A private independent school (secondary-cum-primary) at Shum Wan Road, Aberdeen	July 2004
46EC	A private independent school (secondary-cum-primary) at Kong Sin Wan Tsuen, Pok Fu Lam	December 2004
87EB	A private independent secondary school at Norfolk Road, Kowloon Tong	January 2005

⁹ Important trees include trees on the Register of Old and Valuable Trees, and any other trees which meet one or more of the following criteria –

- (a) trees over 100 years old;
- (b) trees of cultural, historical or memorable significance;
- (c) trees of precious or rare species;
- (d) trees of outstanding form; or
- (e) trees with trunk diameter exceeding one metre (measured at one metre above ground level).

28. We estimate that the proposed works will create about 130 jobs (118 for labourers and another 12 for professional/technical staff) providing a total employment of 1 750 man-months.

Education and Manpower Bureau
May 2005

Enclosure 1 to PWSC(2005-06)25

**54EC – A private independent school (secondary-cum-primary) in Area 11,
Sha Tin**

A comparison of the facilities proposed under 54EC with those of standard design schools

Facilities	54EC		Standard design school	
	18-classroom secondary section	18-classroom primary section	30-classroom secondary section	18-classroom primary section
Classroom	18	18	30	18
Special room	16	11	16	6
Small group teaching room	2	6	3	3
Staff room-cum-common rooms	2	1	1	1
Conference room	1	1	1	1
Library	1	1	1	1
Study hall	1	3	–	–
Guidance activity room	–		1	1
Interview room	–		2	1
Student activity centre	–		1	1
Assembly hall	1		1	1
Multi-purpose area	1		1	1
Small lecture hall	1		–	–
Basketball court	2		1	1
Gymnasium	1		–	–
Swimming pool	1		–	–
Cafeteria	1		–	–

Facilities	54EC		Standard design school	
	18-classroom secondary section	18-classroom primary section	30-classroom secondary section	18-classroom primary section
Green corner	1	1	1	1
Ancillary accommodation, including lift(s) and relevant facilities for the handicapped	Available	Available	Available	Available





VIEW OF THE SCHOOL PREMISES FROM NORTHERN DIRECTION (AERIAL VIEW)
從北面望向校舍的鳥瞰效果圖

54EC - A PRIVATE INDEPENDENT SCHOOL
(SECONDARY-CUM-PRIMARY) IN AREA 11, SHA TIN
沙田第11區的1所私立獨立學校(中學暨小學)

54EC – A private independent school (secondary-cum-primary) in Area 11, Sha Tin

Breakdown of the estimate for consultants' fees

		Estimated man-months	Average MPS* salary point	Multiplier (Note 1)	Estimated fee (\$ million)
(a) Consultants' staff cost					
(i) Contract administration ^(Note 2)	Professional	–	–	–	0.7
	Technical	–	–	–	0.4
(ii) Site supervision ^(Note 3)	Technical	17.4	14	1.6	0.5
Sub-total					1.6
(b) Out-of-pocket expenses ^(Note 4)					
Lithography and other direct expenses					0.2
Sub-total					0.2
Total					1.8

* MPS = Master Pay Scale

Notes

1. A multiplier of 1.6 is applied to the average MPS point to estimate the cost of resident site staff supplied by the consultants. (As at 1 January 2005, MPS point 14 = \$18,010 per month.)
2. The consultants' staff cost for contract administration is calculated in accordance with the existing consultancy agreement for the design and construction of **54EC**. The assignment will only be executed subject to Finance Committee's approval to upgrade **54EC** to Category A.
3. We will only know the actual man-months and actual costs for site supervision after completion of the works.
4. Out-of-pocket expenses are the actual costs incurred. The consultants are not entitled to any additional payment for overheads or profit in respect of these items.